



# 2020 ANNUAL REPORT

Together, we're stronger.

# \$6 MILLION



# \$2 BILLION



# \$1 MILLION



## Children's Miracle Network Hospitals

Helping Local Kids

# \$170,000



### MARCH

- Rogue returns **\$6 million** Loyalty Dividend to members
- Oregon **Stay-at-Home** order issued
- **Shift** to remote service as branch lobbies close

### APRIL

- Rogue facilitates first round of **Paycheck Protection Program** loans for business members

### MAY

- Branch lobbies **reopen** for in-person service
- **North Klamath Falls** branch opens

### JUNE

- The Malheur Federal Credit Union Board of Directors selects Rogue as its **merger** partner
- **Paycheck Protection Program** funding opens for second round

### AUGUST

- Rogue reaches **\$2 billion** in assets
- Rogue distributes over \$11 million of the total \$35 million allocated statewide in **Oregon Emergency Relief Funds**

### SEPTEMBER

- Rogue raises and distributes over **\$1 million** for Almeda and Obenchain wildfire relief efforts

### NOVEMBER

- Malheur Federal Credit Union members vote to **merge** with Rogue Credit Union

### DECEMBER

- Rogue gives over **\$170,000** to local Children's Miracle Network Hospitals



Throughout this year, we truly saw that together, we're stronger.



A handwritten signature in blue ink, appearing to read "Gene Pelham".

**Gene Pelham**  
President/CEO

## A Message to our Members

At the beginning of 2020, the credit union was coming off a record year. Through your loyal support, our net worth was at the highest level in the history of the credit union. With such strong financial performance, your board authorized a \$6 million Loyalty Dividend, which was delivered to members in early March.

Little did we know, our Loyalty Dividend would provide many of our members with economic relief when COVID-19 restrictions began a few weeks later. As we look back on this year, it is easy to forget how it started and only see the challenges of 2020. Yet, with the same resolve that we had when faced with the Great Recession, we met the challenges of 2020 with incredible dedication, compassion, and resolve. Throughout this year, we truly saw that together, we're stronger.

With the direction of our highly qualified board of directors, our teams stepped up to ensure that our members had uninterrupted access to essential financial services. In addition, we facilitated vital Paycheck Protection Program loans and distributed more than \$11 million of the \$35 million allocated statewide in the Oregon Emergency Relief Funding to Southern Oregonians. As the unanticipated and unpredictable COVID-19 pandemic impacted our communities, you adapted with us as we shifted how we served you. Our members embraced alternative options

for service by using our Express Teller Machines or visiting us online, over the phone and through the mobile app.

When the Rogue Valley was rocked by the devastating Almeda and Obenchain fires, Rogue was a naturally trusted community partner for donations. Through your generosity and the kindness of those around the globe, we raised over \$1 million. Those funds were distributed in the form of Wildfire Relief Grants to local non-profits working to rebuild our communities.

Through the loyalty and trust of our members during a truly unprecedented time, YOUR credit union was able to not only survive, but thrive. Rogue reached a milestone, growing to over \$2.49 billion in assets, with asset growth of over 46% in 2020.

We also want to welcome the members of Malheur Federal Credit Union (MFCU) to the Rogue family. The MFCU board's stewardship led to the astute decision to partner with Rogue Credit Union. By joining together, our rural communities and the Treasure Valley region will be ensured continued access to credit union services for decades to come.

As we look to the future, we know that there are still challenges ahead. You can rest assured that whatever comes our way, Rogue will be here, serving our communities and our members.

**Together, we're stronger.**

**Gene Pelham**  
President/CEO

**Philip Smith**  
Board Chair

YOUR credit union was able to not only survive, but thrive.

A handwritten signature in white ink, appearing to read "Philip Smith".

**Philip Smith**  
Board Chair



## Board of Directors



**Philip Smith, Board Chair**  
 Chief Financial Officer for PMCI, Inc.  
 Former Accounting Professor at SOU  
 Credit Union Member since 2005  
 Philip was appointed to the board in 2011.  
 Philip currently serves as the board chair,  
 previously serving on the supervisory committee,  
 and other various board committees.



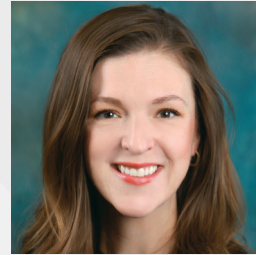
**Peter Angstadt**  
 Retired President of  
 Rogue Community College  
 Credit Union Member since 2014  
 Peter was elected to the board  
 in 2017 and serves on various  
 board committee.



**Jerry Hauck, Vice Chair**  
 Retired Coach, Teacher and  
 Administrator, Ashland High School  
 Credit Union Member since 1972  
 Jerry was elected to the board in 2003.  
 He currently serves as the board vice  
 chair, serving as the board chair from  
 2008 to 2020.



**Neil Itzen**  
 CEO Medford Grange Co-op  
 Credit Union Member since 2010  
 Neil was appointed to the supervisory  
 committee in 2017 and served as chair  
 from 2018 to 2019. He was elected to  
 the board of directors in 2020 and  
 serves on various board committees.



**Heather Johnson, Secretary**  
 Certified Public Accountant and  
 Chief Financial Officer of  
 Blackstone Publishing  
 Credit Union Member since 1988  
 Heather was appointed to the board in 2018  
 and currently serves as the board secretary  
 and is on various other board committees.



**Roger Yasuda**  
 Farmer's Supply Co-Op Crop Consultant  
 Credit Union Member since 1994  
 Roger served on the Malheur Federal Credit  
 Union Board for 24 years, most recently  
 as board chair and was appointed to the  
 Rogue Credit Union Board of Directors.



**Alex Palm, Treasurer**  
 Professional Civil Engineer and  
 Principal at i.e. Engineering, Inc.  
 Credit Union Member since 2015  
 Alex was appointed to the board  
 in 2017. He serves as board  
 treasurer and on various other  
 board committees.



**Katie Hutchinson,**  
 Associate Board Member  
 Vice President of Philanthropy Dutch Bros.  
 Credit Union Member since 2015  
 Katie was appointed to the board  
 in 2020 as an associate member.

## Supervisory Committee Report

The supervisory committee is appointed by Rogue's board of directors to act as the members' representatives in ensuring the safety and soundness of **YOUR** credit union. The supervisory committee is confident in reporting that throughout 2020, Rogue Credit Union maintained a well-capitalized net worth ratio, while meeting the regulatory guidelines set forth by the State of Oregon and its federal regulatory bodies.

In June, the State of Oregon Department of Financial Regulation and the National Credit Union Association (NCUA) reported back to the credit union any findings from its examination and they were subsequently reviewed by your supervisory committee.

Your supervisory committee, along with the Board of Directors, are in agreement with all the exams. We are confident that Rogue Credit Union is meeting the needs of its members, continuing to keep current with the rules and regulations, all the while providing a safe and sound local option for your financial needs. As we journey through 2021, we will continue to work closely with regulators from the State of Oregon and the NCUA, making certain that you can rest assured that your credit union is safe, stable and secure.



**Carrie Zippi**  
 Supervisory Chair



**CJ McPhail**  
 Secretary



**Joan McBee**



**Heather Johnson**



**Sara Adams**



Rogue Credit Union is proud to support the City of Medford's Rogue Credit Union Community Complex. This 160,000 square-foot event and aquatic center will open in 2023. Rogue's sponsorship of the facility will provide free water safety lessons for each fourth grader living in the area.



Wally the Wolf with Rogue Ranger, Axel Priddle.

19,500 Monthly financial article views

14,900 YouTube views

6,300 Financial Education website visits

500 Self-paced online classes

400 Reached via in-person classes

200 Email series classes taken

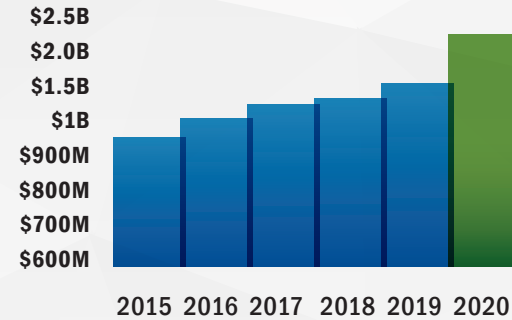
Financial Education

In 2020, Rogue's Financial Education program served members across six regions through multiple channels such as in-person workshops, virtual presentations, U-teach curriculum, self-paced online classes, email series classes, monthly financial blogs and our Dollars+\$ense Program. Our digital platform provided members 24/7 access to topics such as financial tips for freelancers, the lifetime of financial documents, Free Application for Federal Student Aid tips, information security awareness and more. Starting as a teacher's credit union, Rogue's commitment to financial education has always been a vital part of our DNA.

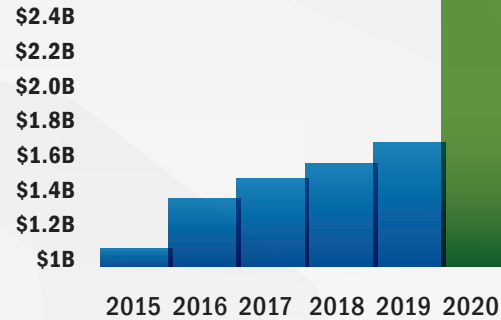


## 2020 Financials

### Total Deposits \$2.22B

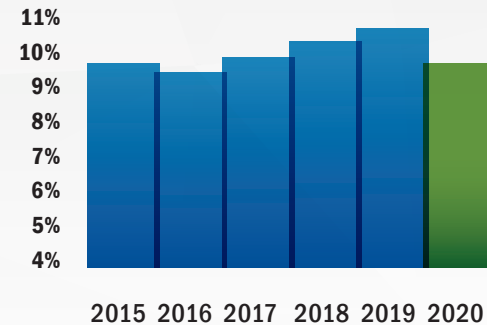


### Total Assets \$2.49B

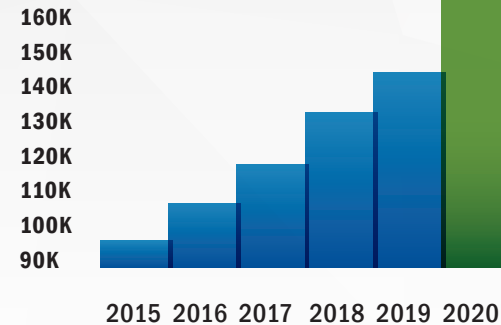


In 2020, Rogue grew to over **\$2.49B** in assets and now serves over **165,000** members

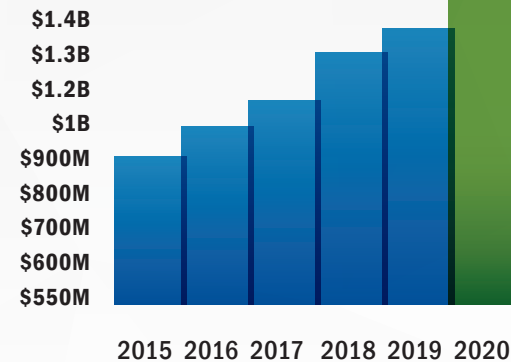
### Net Worth 9.11%



### Total Members 165,327



### Total Loans \$1.52B



## CONSOLIDATED STATEMENT OF INCOME

For the year ended December 31, 2020  
(in Thousands)

### Income & Expense

Loan Income	\$71,848
Investment Income	\$8,487
Loan Income from Acquired Loans	\$2,750
<b>Total Interest Income</b>	<b>\$83,085</b>
Cost of Funds	(\$5,146)
<b>Net Interest Income</b>	<b>\$77,939</b>
Provision for Loan Losses (PLL)	(\$12,481)
<b>Net Interest Income after PLL</b>	<b>\$65,458</b>
Fee Income	\$5,542
Interchange Income	\$13,716
<b>Other Operating Income</b>	<b>\$17,316</b>
<b>Total Non-Interest Income</b>	<b>\$36,574</b>
Employee Compensation & Benefits	(\$41,856)
Other Operating Expense	(\$27,621)
<b>Total Non-Interest Expense</b>	<b>(\$69,477)</b>
<b>Net Income</b>	<b>\$32,555</b>

## CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

For the year ended December 31, 2020  
(in Thousands)

### Assets

Cash & Cash Equivalents	\$200,405
Investments	\$670,803
Loans Held for Sale	\$8,257
Total Loans	\$1,518,148
Allowance for Loan Losses	(\$17,537)
Land & Buildings	\$65,232
Other Fixed Assets	\$8,050
NCUSIF Deposit	\$17,971
Other Assets	\$18,409
<b>Total Assets</b>	<b>\$2,489,738</b>

### Liabilities, Shares & Equity

Total Liabilities	\$32,293
Total Shares	\$2,215,301
Total Equity	\$242,144
<b>Total Liabilities, Shares &amp; Equity</b>	<b>\$2,489,738</b>

# Board Compensation

Rogue Credit Union has established a compensation policy to provide reasonable compensation for members of its board of directors and supervisory committee for their time, service, and contributions to the credit union; as allowed by Oregon law and the credit union's bylaws.

Rogue's focus is, and always will be, on serving its members and our communities as a trusted partner in financial services that provides exceptional services. Rogue's board of directors believes that compensation to the board and supervisory committee members will enhance the credit union's ability to attract and retain qualified directors to represent the members while continuing the legacy of a locally-based Southern Oregon credit union.

**Board & Supervisory Committee Responsibilities** – The board of directors is responsible for setting the general direction of the credit union. Directors serve on multiple committees and meet regularly as a board to establish policy and business strategy, to provide feedback and counsel to the President/CEO who is hired by, and reports to the board, to review financial performance, and to review the credit union's progress in achieving its goals and objectives. The supervisory committee is responsible for overseeing the audit function of the credit union to ensure the members' funds are protected. The supervisory committee is responsible for an annual audit of the financial statements, verifying the accuracy of members' accounts, and ensuring the credit union's financial records and operations are in order.

The sophisticated products and services of Rogue require a board and supervisory committee with strong financial knowledge, diverse skills

and dedication to meet the oversight demands within the competitive and highly regulated financial services industry. The time commitments for the board and supervisory committee member meetings, meeting preparation, regulatory training and continuing education are significant and ever-increasing. This warrants fair and reasonable compensation.

**Rogue's Financial Performance** – Rogue has consistently achieved strong financial performance that supports reasonable compensation, through the balanced delivery of financial services to our members, while ensuring safety and soundness of your credit union. To ensure a sound future, Rogue has built a net worth that exceeds the levels required by its regulators to be classified as well-capitalized, achieves a strong net income to maintain net worth, and manages risks within its operations to provide for consistent ongoing and future operational results. For more information about Rogue's financial performance, please visit our web site at: [www.roguecu.org/annual-report](http://www.roguecu.org/annual-report)

**Due Diligence** – The board conducted thorough due diligence to consider and determine compensation that would be reasonable and commensurate with the responsibilities of the applicable positions. The due diligence information included a study by an independent consulting firm of compensation ranges of similar size credit unions, community banks and other nonprofit organizations that compensate their boards and audit committees. Based on Rogue's strong financial condition, market conditions and progressive mission and goals, the board established a compensation schedule that is reasonable and consistent among peer credit unions of similar performance and size in Oregon and Washington.

**Compensation Schedule** – The credit union will provide reasonable compensation in the form of an annual stipend, based on the position held. This structure supports individual board and supervisory committee members equally with respect to the importance of their respective duties and responsibilities, and provides compensation commensurate with the time commitments of the different positions. The following annual compensation schedule was approved for the board of directors and supervisory committee members for 2021.

Board Chair . . . . .	\$25,000
Board Executive Committee or Committee Chair or Board Supervisory Committee Member . . . . .	\$21,000
Board Member . . . . .	\$18,000
Supervisory Committee Chair . . . . .	\$7,500
Supervisory Committee Member . . . . .	\$6,000

The following stipends were paid for service provided by the board of directors and supervisory committee members for 2020.

Philip Smith, Board Chair . . . . .	\$23,865
Jerry Hauck, Board Vice Chair . . . . .	\$22,209
Heather Johnson, Secretary . . . . .	\$21,000
Alex Palm, Treasurer . . . . .	\$20,750
Peter Angstadt, Board Member . . . . .	\$21,000
Cheryl McMahan, Board Member . . . . .	\$18,910
Neil Itzen, Board Member . . . . .	\$17,125
Carrie Zippi, Supervisory Committee Chair . . . . .	\$7,276
CJ McPhail, Supervisory Committee Secretary . . . . .	\$6,000
Joan McBee, Supervisory Committee Member . . . . .	\$2,000
Sara Adams, Supervisory Committee Member . . . . .	\$2,000

# 2020: By the Numbers

Together,  
we're stronger.

**469,213** Call Center transactions  
**1,286** Transactions per day



**792** Payroll Protection Program (PPP) loans  
Totaling **\$29.8M**



**411** Applications for loan forgiveness



**13,050** Auto loans funded

Totaling **\$285,422,245**



**1,574** Mortgage loans funded

Totaling **\$378,908,951**

**30** PPP loans of **\$150,000+**





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we're  
stronger.



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